

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7745

BILL NUMBER: SB 446

NOTE PREPARED: Jan 11, 2005

BILL AMENDED:

SUBJECT: Liens for Storm Water Fees.

FIRST AUTHOR: Sen. Gard

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill provides that storm water management district fees constitute liens. Sets forth the procedures by which: (1) a lien attaches and is enforced; and (2) payment of fees is enforced.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Liens:* A municipal department of storm water management may assess and collect user fees for the purpose of operating and maintaining the storm water system. According to the provisions of this bill, fees that have remained unpaid for more than 90 days are automatically made a lien against the property. This may increase the amount of expenses recovered if the municipal corporation pursues the liens, however, it may also incur further court expenses in doing so.

The bill also makes a lien such as this superior to all other liens except for taxes. This designates the lien as having greater priority than other liens, such as those imposed by private banking institutions. This priority could increase the likelihood of expenses being recovered if the lien is pursued.

Notices: This bill requires a municipal department of storm water management to issue a notice to a property owner it serves when a storm water fee is recorded as a lien. For those municipal departments of storm water management that do not already issue notices to their customers, administrative costs, such as printing and

postage, will likely increase in providing the notices.

Recorders: This bill provides that the list of landowners with delinquent municipal storm water fees may be prepared as often as the officer charged with collecting the fees determines is necessary in a calendar year. The county recorder may collect a filing fee under IC 36-2-7-10 for the filing of a list. Fees range from \$1-\$15 depending on a number of factors including but not limited to page sizes of the document, acknowledging or certifying a document, and proofreading any copy presented for certification. The fiscal impact of this provision is indeterminable and is dependent on the recording fee charged by a county and the number of times a municipality files a list of delinquent municipal storm water fees.

Explanation of Local Revenues: *Notices:* This bill could cause an increase in the amount of revenue collected from such delinquent charges if notification leads to the charges being paid.

Recorders: Requiring that liens be filed with the county recorder could potentially increase the amount of revenue collected by a municipality from delinquent municipal storm water fees. The fiscal impact is indeterminable and will vary among municipalities.

There could be an increase in revenue to a county if the number of filings by a municipality increases. The amount of revenue generated from the additional recording fees allowed in this bill will vary among counties. Specific fees collected by the county recorder are deposited in the Recorder's Records Perpetuation Fund which is used for the preservation of records and the improvement of record keeping systems and equipment.

The bill also allows the county recorder to charge an additional \$5 as a service charge on each delinquent fee and the county auditor to add a \$15 fee for each parcel of real property on which storm water fees are delinquent. Both the charge and fee are in addition to all other fees and charges and are placed on the tax duplicates of affected properties once certified to the county auditor.

State Agencies Affected:

Local Agencies Affected: County recorders; county treasurers; county auditors.

Information Sources:

Fiscal Analyst: Valerie Ruda, 317-232-9867.